



# WELLS FARGO LEASING CORPORATION

October 8, 1979

9-284A023

OCT 11 1979

Date

Fee \$ 50.00

ICC Washington, D. C.

Ms. Mildred Lee  
Interstate Commerce Commission  
12th & Constitution N.W.  
Room 20423  
Washington, D.C. 20423

10876

RECORDATION NO. .... Filed 1425

OCT 11 1979 - 12 45 PM

INTERSTATE COMMERCE COMMISSION

Re: Schedule 01 to Equipment Lease  
Agreement No. 3145703, dated  
April 3, 1979, between Wells  
Fargo Leasing Corporation, as  
Lessor, and Valley Grain Products,  
Inc., as Lessee.

Dear Madam:

Pursuant to Section 20c of the Interstate Commerce Act and to the Commission's rules and regulations thereunder, I enclose the above noted document.

Set out below are the names and addresses of the parties to the Equipment Lease:

Lessor: Wells Fargo Leasing Corporation  
425 California Street  
San Francisco, California 94104

Lessee: Valley Grain Products, Inc.  
Hiway 99 at Berenda  
P.O. Box 1107  
Madera, California 93637

RECEIVED  
OCT 11 12 41 PM '79  
I.C.C.  
FEE OPERATION SR.



## WELLS FARGO LEASING CORPORATION

The equipment covered by the aforementioned Lease consists of the following:

Fifteen (15) Trinity Industry covered hopper rail cars; 4750 cubic feet with gravity unloading gates.

There is also enclosed this Company's check in the amount of \$50.00, payable to the Interstate Commerce Commission, representing the recordation fee required by 49 CFR 1116.3.

You will note that an original executed counterpart of the Lease is enclosed along with three certified copies. Please stamp all counterparts of the instrument with your official recording stamp. Two certified copies are for your files. It is requested that the original counterpart and one certified copy thereof be returned to the undersigned.

Very truly yours,

Curtis J. Mallegni  
Big Ticket Manager

Enclosure

P.S. Please confirm by phone (415) 396-4258, that the filing has been completed. You may call collect if need be. Thank you.

Loreen Rocca

**Interstate Commerce Commission**  
**Washington, D.C. 20423**

10/30/79

**OFFICE OF THE SECRETARY**

Curtis J. Mallegni  
Wells Fargo Leasing Corp.  
425 Calif. Street  
San Francisco, Calif. 94104

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/11/79 at 12:45pm, and assigned re-recording number(s). 10876

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

**WELLS FARGO LEASING CORPORATION**

425 CALIFORNIA STREET, SAN FRANCISCO, CALIFORNIA 94104

10876

CORDATION NO. .... Filed 1425

OCT 11 1979 - 12 45 PM

**EQUIPMENT LEASE AGREEMENT**

INTERSTATE COMMERCE COMMISSION

NO 3145703

THIS EQUIPMENT LEASE AGREEMENT ("Lease"), made this 3rd day of April, 19 79, by and between WELLS FARGO LEASING CORPORATION, a California corporation ("Lessor"), and Valley Grain Products, Inc. a California Corporation ("Lessee"):

**WITNESSETH:**

In consideration of the mutual covenants contained herein, the parties agree as follows:

1. **LEASE.** Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to hire from Lessor the unit or units of equipment, machinery or other property (hereinafter called "Equipment" or "unit or units of Equipment") described in the Equipment Lease Schedule(s) attached hereto and made a part hereof or which may be executed by the parties hereafter with reference hereto (hereinafter called the "Schedule" or "Schedules").

2. **TERM.** The term of this Lease with respect to each unit of Equipment shall be as shown on the applicable Schedule and shall commence on the date Lessor confirms Lessee's purchase order for the Equipment to the seller thereof, or at the time the Equipment is placed on board a carrier for shipment to Lessee, whichever first occurs, so that at all times the risk of loss, damage or destruction to any unit of Equipment shall be borne by Lessee and not by Lessor. In the event any unit of Equipment has not been tendered to Lessee prior to the Outside Delivery Date specified in the Schedule, then at Lessor's option this Lease shall be canceled as to any such unit without liability on behalf of either party other than any obligation on behalf of Lessee to bear the risk of loss, damage or destruction to such Equipment, and to pay the commitment fee specified in the Schedule.

3. **RENT.** The rent for each unit of Equipment shall be the amount stated in the applicable Schedule. In the event Lessee shall be in default of the payment of any sum of money to be paid under this Lease, Lessee shall pay to Lessor a late charge equal to five percent (5%) of such unpaid sum plus interest thereon from the due date thereof (without regard to any grace period) to date of payment at the rate of ten percent (10%) per annum, or such lesser amount as may represent the maximum permitted by applicable law. Lessee shall pay Lessor rent, without deduction or offset, in the amounts and at the time set forth in the Schedule. Rent shall be payable at the office of Lessor set forth below, or at such other place or to such other person as Lessor may from time to time designate in writing.

4. **LESSEE'S INSPECTION.** Upon delivery, Lessee shall make all necessary inspections and tests of the Equipment in order to determine whether the Equipment conforms to specifications and is in good condition and repair. Lessee shall promptly notify Lessor in writing of any defect or other proper objection to the type or condition of the Equipment. If Lessee fails to notify Lessor in writing of any such defect or objection within ten (10) days after delivery of the Equipment to Lessee, then it shall be conclusively presumed, as between Lessor and Lessee, that Lessee has fully inspected the Equipment and that Lessee is satisfied with and has accepted the Equipment in such good condition and repair for all purposes of this Lease. If the Equipment is in good condition and repair, on or before expiration of said ten (10) day period, and in all events prior to placing the Equipment in service, Lessee shall execute and deliver to Lessor a Certificate of Acceptance, in form and substance satisfactory to Lessor.

5. **USE.** Lessee shall use the Equipment carefully and shall comply with all laws, ordinances or regulations relating to the use, operation or maintenance of the Equipment. Lessee shall put the Equipment only to the use contemplated by the manufacturer. Lessee shall affix to the Equipment and maintain thereon such labels, plates, or decals as may be provided by Lessor, or conspicuously mark said Equipment with such language as Lessor may reasonably request, to the effect that such Equipment is owned by Lessor.

6. **ALTERATIONS.** Without the prior written consent of Lessor, Lessee shall not make any alterations, additions or improvements to the Equipment. All alterations, additions and improvements of whatsoever kind or nature made to the Equipment shall become the property of Lessor upon expiration or earlier termination of this Lease. The Equipment shall be permanently located at the place described in the Schedule and shall not be moved from such location without the prior written consent of Lessor.

7. **REPAIRS.** Lessee, at its sole cost and expense, shall keep and maintain each unit of Equipment in good operating order and repair (and, if a vehicle, in roadworthy condition) and shall keep the Equipment protected from the elements except during use in the normal manner.

8. **LESSOR'S INSPECTION.** Lessor shall at any time during normal business hours have the right to enter the premises where the Equipment may be located for the purpose of inspecting and examining the Equipment to insure compliance by Lessee with its obligations under this Lease.

9. **LICENSING, REGISTRATION AND TAXES.** Lessee shall obtain such licensing and registration of the Equipment as is required by federal, state and local law or regulation. As additional rent, Lessee shall pay and discharge when due, all license and registration fees, assessments, sales, use, property and other taxes (excluding any tax measured by Lessor's net income), together with any penalties or interest applicable thereto, now or hereafter imposed by any state, federal or local government upon any item of the Equipment, or the rentals payable hereunder, whether the same be payable by or assessed to Lessor or Lessee; provided, however, if under local law or custom such payments may be made only by Lessor, Lessee shall promptly notify Lessor and shall reimburse Lessor, upon demand, for all payments thereof made by Lessor. If by law any

such registration or license fee or tax is billed to Lessor, Lessee at its expense will do any and all things required to be done by Lessor in connection with the licensing or registration procedure and the levy or assessment of any tax, including the billing or payment thereof. Upon request, Lessee shall provide Lessor with proof of payment.

**10. INSURANCE.** Lessee, at its sole cost and expense, shall procure and maintain and pay for (a) insurance against the loss or theft of or damage to the Equipment, for the full replacement value thereof as determined by Lessor, naming Lessor as a loss payee, and (b) public liability and property damage insurance, naming Lessor as additional insured. All such insurance shall be in form and amount and with companies satisfactory to Lessor. Lessee shall deliver the policies of insurance or duplicates thereof or certificates of insurance to Lessor. Each insurer shall agree by endorsement upon the policy or policies issued by it or by independent instrument furnished to Lessor that it will give Lessor thirty (30) days' written notice before the policy in question shall be materially altered or cancelled. The proceeds of such insurance, at the option of Lessor, shall be applied (a) toward the replacement, restoration or repair of the Equipment, or (b) toward payment of the obligations of Lessee hereunder. Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payment of, and execute and endorse all documents, checks or drafts for, loss or damage under any such insurance policy.

**11. LESSOR'S PAYMENT.** In the event Lessee fails to procure, maintain or pay for said insurance or to pay any fees, assessments, charges or taxes, as required herein, Lessor shall have the right, but not be obligated to obtain such insurance, or pay said fees, assessments, charges and taxes, as the case may be. In that event, Lessee shall reimburse Lessor for the cost thereof upon demand and failure to repay the same shall constitute an Event of Default hereunder.

**12. LOSS AND DAMAGE.** Lessee hereby assumes and shall bear the entire risk of loss, damage to, theft, or destruction of the Equipment for any cause whatsoever ("Loss or Damage") including, without limitation, economic loss through extraordinary or premature wear, or requisition of the Equipment by any government agency whether or not such Loss or Damage is covered by insurance. No such Loss or Damage shall relieve Lessee of any of its obligations under this Lease. Lessee shall immediately notify Lessor of any accident or event of loss involving the Equipment.

In the event of Loss or Damage to any unit of Equipment, Lessee, at the option of Lessor, shall: (a) repair or restore the Equipment to good repair, condition and working order; or (b) replace the Equipment with similar equipment in good repair, condition and working order; or, (c) pay Lessor in cash the "Stipulated Loss Value" for such unit as set forth in the Stipulated Loss Value Schedule attached hereto or to the Equipment Lease Schedule. Upon payment of the Stipulated Loss Value, this Lease shall terminate only with respect to the unit of Equipment for which Lessee has so paid, and Lessee shall become entitled to said unit As-Is, Where-Is without any warranty, express or implied, with respect to any matter whatsoever.

**13. SURRENDER.** Upon expiration or earlier termination of this Lease with respect to each unit of Equipment, unless upon request by Lessor Lessee has paid Lessor in cash the Stipulated Loss Value for such unit, Lessee shall return each unit of Equipment to Lessor, as may be specified by Lessor, free of all advertising or insignia placed thereon by Lessee, and in good condition, repair and working order, ordinary wear and tear resulting from proper use thereof excepted, in the following manner: (a) by delivering the Equipment at Lessee's sole cost and expense to any location selected by Lessor within the county in which the Equipment was delivered to Lessee, or within the county to which the Equipment was moved with Lessor's consent; or (b) by loading the Equipment on board any carrier designated by Lessor and shipping the same, freight collect, to the destination selected by Lessor.

**14. WARRANTIES.** LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER MATTER CONCERNING THE EQUIPMENT. LESSEE HEREBY WAIVES ANY CLAIM IT MIGHT HAVE AGAINST LESSOR FOR ANY LOSS, DAMAGE OR EXPENSE CAUSED BY THE EQUIPMENT OR BY ANY DEFECT THEREIN, USE OR MAINTENANCE THEREOF, OR SERVICING OR ADJUSTMENT THERETO AND, AS TO LESSOR, LEASES THE EQUIPMENT AS-IS. Lessee acknowledges that Lessor is not a dealer in equipment of any kind, and that each unit of Equipment subject to this Lease is of a type, size, design and capacity selected solely by Lessee. If the Equipment is not properly installed, does not operate as represented or warranted by the manufacturer thereof, or is unsatisfactory for any reason, Lessee shall make any claim on account thereof solely against the manufacturer or seller and no such occurrence shall relieve Lessee of any of its obligations hereunder. During the term of this Lease with respect to any unit of Equipment in which Lessee renders faithful performance of its obligations, Lessor hereby assigns to Lessee any factory or dealer warranty, whether express or implied, on such unit. All claims or actions on any warranty so assigned shall be made or prosecuted by Lessee, at its sole expense, and Lessor shall have no obligation whatsoever to make any claim on such warranty. Any recovery in cash or cash equivalent under such warranty shall be made payable jointly to Lessee and Lessor. At Lessor's option, all cash proceeds or equivalent thereof from such warranty recovery shall be used to repair or replace the Equipment.

**15. LESSEE'S REPRESENTATIONS.** Lessee represents, warrants and agrees that it (a) has the full power, authority and legal right to enter into and perform the Lease and the execution, delivery and performance of the Lease have been duly authorized by all necessary corporate or other legal action on the part of Lessee, will not require any stockholder approval or approval or consent of any trustee or holders of any indebtedness or obligations of Lessee, and will not contravene any law, governmental rule, regulation or order binding on Lessee (or the Certificate of Incorporation or By-Laws of Lessee if it is a corporation) or contravene the provisions of, or constitute a default under, or result in the creation of any lien or encumbrance upon the property of Lessee under any indenture, mortgage, contract or other agreement to which Lessee is a party, or by which its subsidiaries may be bound or affected; and (b) all consents and approvals of, the giving of notice to, registration with, and the taking of any other action in respect of any federal, state or foreign governmental authority or agency, necessary, if at all, to permit the transactions contemplated by this Lease have been taken; and (c) the Lease constitutes a legal, valid and binding obligation of Lessee enforceable against Lessee in accordance with the terms thereof; and (d) there are no pending or threatened actions or proceedings before any court or administrative agency which will materially adversely affect the condition, business or operations of Lessee or any of its subsidiaries or the ability of Lessee to perform its obligations under this Lease; and (e) that the transactions contemplated by this Lease will raise no presumption of fraud as against and will be effective against all creditors of Lessee under applicable state and federal laws, including, without limitation, laws relating to fraudulent conveyances or bulk transfers; and (f) shall provide Lessor, upon request, with an opinion of counsel satisfactory to Lessor with respect to the foregoing matters.

**16. INDEMNITY.** Lessee shall indemnify Lessor against, and hold Lessor harmless from any and all claims, actions, damages, including reasonable attorneys' fees, obligations, liabilities and liens (including any of the foregoing arising or imposed without Lessor's fault or negligence, or in connection with latent or other defects, or any claim for patent, trademark or copyright infringement or under the doctrine of "strict liability"), imposed or incurred by or asserted against Lessor or its successors or assigns, arising out of the manufacture, purchase, lease, possession, operation, condition, return or use of the Equipment, or by operation of law. Lessee shall give Lessor prompt written notice of any matter hereby indemnified against and agrees that upon written notice by Lessor of the assertion of such a claim, action, damage, obligation, liability or lien, Lessee shall assume full responsibility for the defense thereof. This section shall survive termination of this Lease.

**17. EVENTS OF DEFAULT.** The occurrence of any of the following events shall constitute a default by Lessee ("Event of Default") in the performance of Lessee's obligations hereunder: (a) failure of Lessee to pay when due any rent or other amounts required herein to be paid to Lessor or to timely perform any covenant, condition or obligation required to be performed by Lessee under this Lease or any other agreement with Lessor or any other person; or (b) Lessee commits an act of bankruptcy, or any proceeding under the Bankruptcy Act is commenced by or against Lessee, or a receiver is appointed to take possession of any asset or property of Lessee or any unit of Equipment; or (c) Lessee makes a general assignment for the benefit of its creditors, or sells, transfers or disposes of all or substantially all of its assets or property, or merges with any other entity or engages in any form of corporate reorganization, without the prior written consent of Lessor; or (d) the financial statements furnished to Lessor by or on behalf of Lessee or any representations made by Lessee hereunder are incorrect, misleading or inaccurate.

**18. REMEDIES.** Upon occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, Lessee shall be in default of the terms of this Lease and Lessor may exercise one or more of the following remedies: (a) take possession of any unit of Equipment without demand or notice and without court order or legal process. Taking possession of any or all of the Equipment by Lessor shall not be construed to be an election to terminate this Lease with respect to any unit of Equipment unless written notice to that effect is given to Lessee. Absent such written notice, this Lease shall remain in effect, and Lessee shall remain liable for all payments to be made hereunder. (b) Lease any unit of Equipment to such persons, at such a rental and for such a period of time (which may extend beyond the term of this Lease for such unit or units) as Lessor shall elect. (c) Sell the Equipment at a public or private sale for cash or on credit, without demand or notice to Lessee, Lessee hereby agreeing that the proceeds of such sale will exceed the reasonable rental value of the Equipment for the term of this Lease with respect thereto. Lessor shall apply the net proceeds (the proceeds of any renting or sale pursuant to this paragraph 18 minus all costs and expenses incurred with recovery, repair, storage, renting or sale) of any such rental to the payment of Lessee's obligations hereunder, Lessee remaining liable for any deficiency, which at Lessor's option, shall be paid monthly, as suffered, or immediately, or at the end of the term as damages for Lessee's default. (d) Terminate this Lease with respect to any or all units of Equipment and recover from Lessee the worth at the time of termination, of the excess, if any, of the amount of rent and charges equivalent to rent reserved in the Lease for the balance of the term or any shorter period of time over the then reasonable rental value of the Equipment for the same period. (e) In lieu of taking possession of the Equipment or terminating this Lease in whole or in part, declare the entire amount of rent accrued and to accrue over the unexpired portion of the term for any unit immediately due and payable. In such event, Lessee shall forthwith pay to Lessor the commuted value (at a discount rate of two percent (2%)) of such entire amount of rent plus any costs and expenses, as hereinafter provided, suffered by Lessor by reasons of Lessee's default. If, by reason of any separate default subsequent to Lessor's election of the remedy provided in this subparagraph, Lessor terminates this Lease with respect thereto and takes possession of the Equipment, Lessor shall, at Lessor's option, either (1) refund to Lessee, or (2) set off against any sums due by Lessee to Lessor, or (3) hold as security for the performance of any obligations of Lessee to Lessor which may then be contingent or may become due, the full amount of any rent prepaid by Lessee pursuant to Lessor's election of the remedy provided in this subparagraph. (f) Terminate this Lease as to any or all units leased hereunder and recover from Lessee the net profit which Lessor would have realized from this transaction if Lessee had performed all of its obligations hereunder and such Lease had expired with respect to such unit or units on the expiration date referred to in the Schedule. (g) Bring legal action to recover all rents or other amounts then accrued or thereafter accruing from Lessee to Lessor under this Lease. (h) Pursue any other remedy which Lessor may have. Each of the foregoing remedies is cumulative and may be enforced separately or concurrently. In the event any action is brought to enforce the obligations or the rights of the parties hereunder, the prevailing party in such action will be entitled to all costs and expenses including attorneys' fees incurred therein.

**19. ASSIGNMENT BY LESSEE.** Lessee shall not assign, pledge or hypothecate this Lease in whole or in part, nor any interest therein, nor shall Lessee sublet or lend any unit of Equipment without the prior written consent of Lessor. Lessee's interest herein may not be assigned or transferred by operation of law. Consent to any of the foregoing acts shall not be deemed to be consent to any subsequent similar act.

**20. PERSONAL PROPERTY.** The Equipment shall remain personal property regardless of whether it becomes affixed or attached to real property, or permanently rests upon any real property or any improvement thereon. Lessee agrees to execute all such agreements and other documents, and to obtain the execution thereof, in recordable form, by all parties having an interest in any real property to which any of the Equipment is affixed, as Lessor may, from time to time, reasonably request, with respect to the identity of the Equipment as personal property, and Lessee further consents to the recordation of all such agreements and documents.

**21. ASSIGNMENT BY LESSOR.** Lessor may assign this Lease or mortgage the Equipment or both in whole or in part, without notice to Lessee. If Lessee is given notice of such assignment, it shall acknowledge receipt thereof in writing. Each such assignee or mortgagee shall have all of the rights, but none of the obligations, of Lessor under this Lease. Lessee shall not assert against assignee and/or mortgagee any defense, counterclaim or offset that Lessee may have against Lessor. Notwithstanding any such assignment, Lessor warrants that Lessee shall quietly enjoy use of the Equipment subject to the terms and conditions of this Lease. Subject to the foregoing, this Lease inures to the benefit of and is binding upon the heirs, legatees, personal representatives, successors and assigns of the parties hereto.

**22. OWNERSHIP BY LESSOR.** The Equipment is and shall at all times remain the sole and exclusive property of Lessor. Lessee shall have no right, title or interest therein or thereto except as expressly set forth in this Lease.

**23. HOLDING OVER.** Any use of the Equipment by Lessee beyond the term of this Lease with respect thereto shall be deemed an extension of the original lease term on a month-to-month basis, and all obligations of Lessee shall continue during such holding over. During any such holding over, Lessor may terminate this Lease and take possession of the Equipment upon demand after thirty (30) days' written notice to Lessee.

**24. NON-WAIVER.** No waiver of any Lessee's obligations, conditions or covenants shall be deemed to take place except such waiver that may be in writing and signed by Lessor. Failure to exercise such remedy which Lessor may have hereunder or any other acquiescence in the default of Lessee by Lessor shall not constitute a waiver of any obligation of Lessee including the obligation in which Lessee is in default; and Lessor shall be entitled to pursue any remedy available to it hereunder until Lessee has rendered complete performance of all obligations of any lease hereunder.

**25. FINANCIAL REPORTS.** Lessee shall furnish Lessor during the term hereof with annual financial statements within one hundred twenty (120) days after the end of its fiscal year and such other financial information as Lessor may from time to time request including, without limitation, reports filed with federal or state regulatory agencies. Lessee hereby warrants and represents that all financial statements heretofore and hereafter delivered to Lessor by or upon behalf of Lessee, and any statements and data submitted in writing to Lessor in connection with this Lease, are true and correct and fairly present the financial condition of Lessee for the periods involved.

26. NOTICES. All notices required or permitted under this Lease shall be sufficient if delivered personally or mailed to the party at the address set forth herein, or at such other address as either party may designate in writing from time to time. Any such notice shall be effective forty-eight (48) hours after it has been deposited in the United States mail, duly addressed, and postage prepaid.

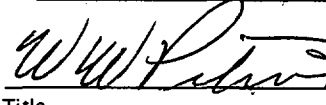
27. MISCELLANEOUS. If there should be more than one person executing this Lease as Lessee, all obligations hereunder to be performed by Lessee shall be the joint and several liability of all such persons. Wherever the context permits, the Lessee's representations, warranties and covenants hereunder shall survive the delivery and return of the Equipment leased hereunder. Any provision of this Lease which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective, to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect. No term or provision of this Lease may be changed, waived, discharged, or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the charge, waiver, discharge or termination is sought.

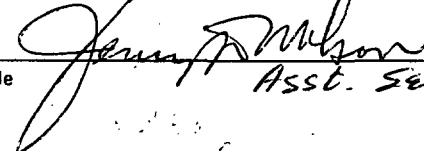
The captions in this Lease are for convenience of reference only and shall not define or limit any of the terms or provisions hereof. As used herein, the term "Lease" shall include all exhibits and schedules related thereto. This Lease shall in all respects be governed by, and construed in accordance with, the laws of the State of California, including all matters of construction, validity and performance. Time is of the essence hereof.

IN WITNESS WHEREOF, the parties have executed this Lease on the day and year first above written.

LESSEE

Name Valley Grain Products, Inc.

By   
Title President

By   
Title Asst. Sec. Trans.

Address:


Hwy 99 at Berenda


P.O. Box 1107

Madera, California 93637

LESSOR

WELLS FARGO LEASING CORPORATION

By   
Title

By   
Title

Address:

425 California Street  
San Francisco, California 94104  
Attn: Contract Administration



## WELLS FARGO LEASING CORPORATION

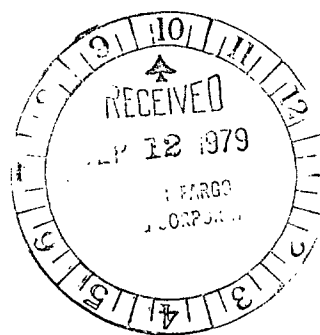
### EQUIPMENT LEASE SCHEDULE NO. 01

This Equipment Lease Schedule is hereby incorporated in and made a part of that certain Equipment Lease Agreement ("Lease") dated April 3, 1979, Lease Number 3145703 between WELLS FARGO LEASING CORPORATION ("Lessor") and Valley Grain Products, Inc. ("Lessee").

1. Equipment: Fifteen (15) Trinity Industry covered hopper rail cars; 4750 cubic feet with gravity unloading gates.
2. Location: 2.25 Miles East of Muleshoe, Texas  
P.O. Box 484, Muleshoe, Texas 79347
3. Original Cost: Not to exceed \$ 735,000.00 including applicable sales, use or similar taxes, and any freight and handling charges.
4. Outside Delivery Date: If any unit of Equipment is not delivered to and accepted by Lessee on or before November 1, 1979, or there is an adverse change in Lessee's financial condition prior to acceptance of the Equipment, then Lessor shall have no obligation whatsoever to lease such unit or units to Lessee.
5. Lease Term: The lease term for the Equipment described herein expires One Hundred and Twenty (120) months, after the date the Certificate of Acceptance is executed.
6. Rent: Lessee shall make One Hundred and Twenty (120) consecutive monthly payments, each in a sum equal to 1.3858 % of Original Cost, payable in advance, commencing the date the Certificate of Acceptance is executed.
7. Investment Tax Credit: Any Investment Tax Credit allowed or allowable on the Equipment may be taken by Lessee. The non-existence, nonavailability or disallowance of any such credit shall in no way affect, alter, change or excuse any obligation hereunder of Lessee.
8. Purchase by Lessee Upon Expiration of the Lease Term: In lieu of surrendering the equipment described herein upon expiration of the Lease, as set forth in Paragraph 13 thereof, and provided the Lease has not been earlier terminated with respect to the Equipment described therein, Lessee shall purchase all, but not less than all, of the equipment described therein then subject to the Lease at a price of 10 % of its Original Cost. Upon payment of the purchase price, Lessor shall, upon request of Lessee, execute and deliver to



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Lessee or Lessee's assignee or nominee, a Bill of Sale without any representations or warranties express or implied. Lessee agrees to pay or cause to be paid all sales and/or use taxes payable in connection with this sale, and any unpaid property taxes theretofore assessed or levied against said Equipment.

The foregoing rental payments were calculated on the basis of the current prime rate of 11.75% charged to responsible and substantial short-term commercial borrowers by Wells Fargo Bank, N.A., and a lease rate factor of 11.3772%. If such prime rate changes prior to delivery and acceptance by Lessee of any unit of Equipment described herein, then the rental payments shall be recalculated by adjusting the lease rate factor by 0.8% for each 1% increase or decrease in the prime rate, and Lessee shall pay such adjusted rentals to Lessor in respect to such unit or units of Equipment. In the event the lease rental payments are adjusted pursuant to this paragraph, Lessor further reserves the right to recalculate the Stipulated Loss Value in a like manner.

9. Rental Adjustment:

10. Commitment Fee:

Lessee shall receive credit for the commitment fee previously received by Lessor, against rental payments in the proportion that the Original Cost of the Equipment delivered to and accepted by Lessee prior to the Outside Delivery Date bears to \$735,000.00.

11. Filing:

As a condition precedent to the performance of Lessor's obligations hereunder, and in accordance with the applicable provisions of 49 U.S.C. Section 11303: (A) this Lease shall be filed with the Interstate Commerce Commission ("ICC") prior to the delivery and acceptance hereunder of any unit of Equipment; (B) Lessor shall have received an opinion of Lessor's special counsel at Lessee's expense, to the effect that the lease has been duly filed with the ICC in accordance with the applicable provisions of 49 U.S.C. Section 11303 and no other filing or recordation is necessary to protect the rights of Lessor in any state of the United States of America or in the District of Columbia.

12. Special Conditions:

As a condition precedent to the performance of Lessor's obligations hereunder, Lessee shall execute, or cause to be executed and delivered to Lessor:

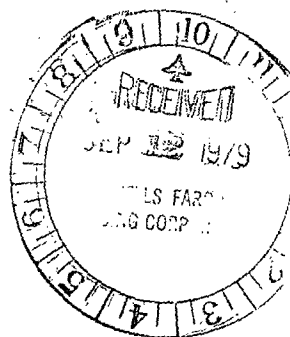
A. Guaranty: The guaranty in form and substance satisfactory to Lessor of Lessee's obligations hereunder by Willard Pitman.

B. Opinion of Counsel: Opinion of Lessee's counsel as to the matters set forth in paragraph 15 of the Lease.

C. Resolution: Lessee's corporate resolution or other corporate authority evidencing the authorization for the corporate officers to execute the Lease and related documents.

D. Warranty Bill of Sale: Duly executed Warranty Bill of Sale in form satisfactory to Lessor from Trinity Industries.

E. Memorandum of Lease: Duly executed and acknowledged Memorandum of Lease form(s) satisfactory to Lessor.



3. Compliance With Laws and Rules: (a) The Lessee agrees for the benefit of the Lessor to comply, in all respects with (i) all laws of the jurisdictions in which operations involving the Equipment may extend (including, without limitation, laws with respect to the use, maintenance and operations of the Units), (ii) the interchange rules of the Association of American Railroads and (iii) all rules of the Department of Transportation, the Interstate Commerce Commission (hereinafter called the ICC) and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws and rules affect the title, operation or use of the Equipment. In the event that such laws or rules require any alteration, replacement or addition of or to any part on any unit of Equipment, the Lessee will comply therewith at its own expense; provided, however, that the Lessee may at its own expense, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the reasonable opinion of the Lessor, adversely affect the title of the Lessor to the Equipment or the rights of the Lessor under this lease.

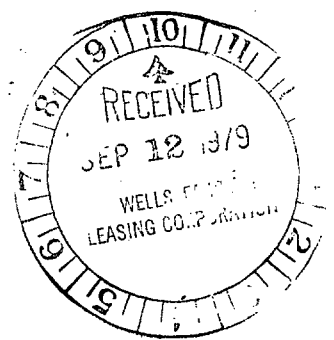
(b) The Lessee agrees, at its own cost and expense, to prepare and deliver to the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor, and the Lessor hereby appoints the Lessee its agent and attorney-in-fact to do so) any and all reports, other than income tax returns, to be filed by the Lessor with any Federal, state or other regulatory authority by reason of ownership by the Lessor of the Equipment, or the lease hereunder to the Lessee.

14. Care and Maintenance: (a) The Lessee agrees that the Equipment will not be used or maintained outside the United States of America.

(b) The Lessee agrees that, at its own cost and expense, it will at all times maintain and keep each unit of Equipment then subject to this Lease in good operating order, repair and condition, reasonable wear and tear excepted; provided, however, that in any event the Lessee shall maintain the Equipment in at least as good condition as required by the interchange rules of the AAR and as other railroad rolling stock leased or owned by the Lessee.

(c) Except as otherwise required by Paragraph 13 hereof, the Lessee shall not, without the Lessor's prior written consent, make or permit to be made any material alteration, addition or modification to any Unit, unless such alteration, addition or modification does not adversely affect the Equipment's originally intended use or commercial value. Any and all additions to the Equipment and any and all parts installed on and replacements made to any unit of Equipment (except equipment or devices which have been added to such unit by the Lessee, the cost of which is not included in the Original Cost of such unit of Equipment, which are not required pursuant to Paragraph 13 hereof and which may be readily removed from such unit without materially affecting such unit or the originally intended use or commercial value thereof) shall constitute accessions to such unit of Equipment and title thereto shall immediately vest in the Lessor. The Lessee shall, at its cost and expense, take all actions necessary to insure that title thereto, free from any lien, charge, security interest or encumbrance, shall immediately be vested in the Lessor. The Lessee shall not permit any special device or assembly to be attached or affixed to any unit of Equipment which cannot be readily removed from such unit without materially affecting such unit or the originally intended use or commercial value thereof.

(d) The Lessee agrees, at its own cost and expense, to (i) cause each unit of Equipment to be kept numbered with the identification number therefor as specified in the Certificate of Acceptance therefor, and (ii) maintain the Equipment marking on each unit of Equipment and such other markings as from time to time may be required by law or otherwise deemed necessary by the Lessor in order to protect the title of the Lessor to such unit of Equipment and the rights of the Lessor under this Lease. The Lessee will not place any unit of leased Equipment in operation or exercise any control or dominion over the same until such Equipment marking has been placed thereon. The Lessee will replace promptly any such Equipment marking which may be removed, defaced or destroyed.



5. Return of Units Upon Default: If this Lease shall be terminated pursuant to Paragraph 17 of the Lease, the Lessee shall forthwith deliver possession of the units of Equipment to Lessor. Each unit so delivered shall be in the condition in which it is required to be maintained pursuant to Paragraphs 13 and 14 hereof. The Lessee shall deliver to the Lessor at the time at which each unit is so delivered a certificate executed by an officer of the Lessee to the effect that: (i) such unit has no basic structural weaknesses and has suffered no damage which might cause an unsafe operating condition, and (ii) such unit complies with all requirements of Paragraphs 13 and 14 hereof. The Lessee shall deliver to the Lessor, if so requested by the Lessor, all maintenance records relating to all Units required to be redelivered pursuant to this Paragraph 15. If so requested by the Lessor, the Lessee shall at its own cost and expense, remark each Unit in the manner designated by the Lessor to add such markings as may be required by any purchaser or lessee of such Units and remove any additions or accessions thereto designated by the Lessor. For the purpose of delivering possession of the Units to the Lessor, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner (including, but not limited to, giving prompt telegraphic and written notice to the AAR and to any railroads to which any unit of Equipment has been interchanged or which may have possession of any unit of Equipment to return such unit or units) assemble the units of Equipment and place them upon such storage tracks as the Lessor reasonably may designate;

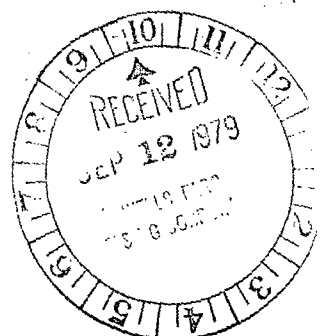
(b) cause the units of Equipment to be stored at the risk of the Lessee without charge for insurance, rent or storage until such units have been sold, leased or otherwise disposed of by the Lessor; and

(c) transport the units of Equipment to such place as the Lessor reasonably may designate.

The assembling, delivery, storage, insurance and transporting of the units shall be at the expense and risk of the Lessee and are of the essence of this Lease. Upon application to any court of equity, having jurisdiction, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee set forth in this Paragraph 15. During any storage period, the Lessee will, at its own cost and expense, perform all its obligations with respect to the units pursuant to Paragraphs 13 and 14 hereof and Paragraph 16 of the Lease and will permit the Lessor or any person designated by it, including any authorized representative of any prospective purchaser of the Equipment, to inspect the Equipment. The Lessee shall pay to the Lessor for each day after the termination of the Lease during which any unit is not assembled, delivered and stored as provided in this Paragraph 15, an amount equal to the greater of (i) all amounts earned in respect of such unit by the Lessee for such day or (ii) .0462% of the Purchase Price of such unit. Without limiting the obligations of the Lessee pursuant to this Paragraph 15, the Lessee hereby irrevocably appoints the Lessor as its agent and attorney-in-fact, with full power and authority, at any time while the Lessee is obligated to deliver possession of any unit of Equipment to the Lessor, to demand and take possession of such unit in the name and on behalf of the Lessee from whomsoever shall then be in possession of such unit of Equipment.

16. Purchase of Equipment: Lessee hereby agrees to act as limited agent of Lessor for the purpose of purchasing the Equipment described herein from the manufacturer, supplier, contractor, dealer, or seller thereof (herein collectively called the "Vendors"). Lessee shall at all times remain liable to the Vendors to the same extent as if this Lease had not been executed and Lessor shall not have any obligation or liability to Vendors or any other person or entity with respect to the Equipment, or to make any payment, with respect thereto (and Lessee shall so inform each Vendor and obtain its consent thereto), except to the extent Lessor shall reimburse Lessee for the Original Cost of the Equipment upon satisfaction of, and in accordance with, the terms and conditions set forth herein including without limitation, acceptance of the Equipment by Lessee and acknowledgement thereof by Lessor.

Lessee's purchase orders and Vendor's invoices shall name Lessor as purchaser of the Equipment.




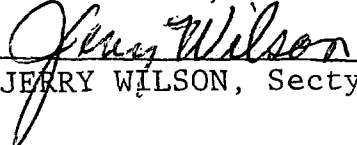
All assembly, construction, erection, fabrication or installation performed by Lessee shall conform to the manufacturer's specifications for each unit, and shall be completed in accordance with Lessee's standard quality control practice and in a good workmanlike manner. Lessee hereby transfers, grants, sells and assigns to Lessor, its successors and assigns, all of its right, title and interest in and to the various agreements, contracts, purchase orders and requisitions relating to the purchase, procurement, design and assembly of each unit of Equipment and all goods, parts and other work completed or in the course of construction.

Lessee represents and agrees that upon delivery of the Certificate of Acceptance for each location to Lessor, good and lawful title to the Equipment described therein shall be vested in Lessor free and clear of all claims, liens, encumbrances or rights of others of any nature (other than liens or encumbrances created by Lessor). Upon delivery of each Certificate of Acceptance, Lessee shall provide Lessor with bill(s) of sale from the vendor(s) of the Equipment, invoices, and cancelled checks or other proof of payment satisfactory to Lessor. Lessee represents and agrees that all payments for which reimbursement is requested represent amounts which have been paid by Lessee and for which it has not received and will not receive any commission, allowance, rebate or other profit.

LESSEE:


Name Valley Grain Products, Inc.


By   
Title W. W. PITMAN, President

By   
Title JERRY WILSON, Secty. Treas.

LESSOR:

WELLS FARGO LEASING CORPORATION

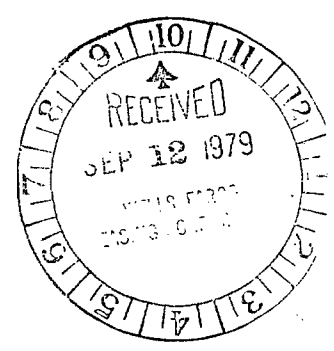
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# STIPULATED LOSS VALUE SCHEDULE

PAGE 1 OF 3

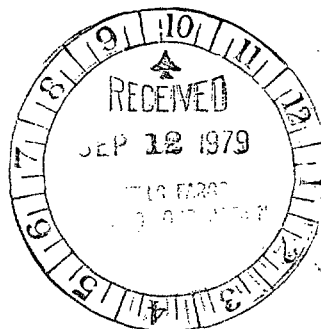
STIPULATED LOSS VALUE SCHEDULE  
TO EQUIPMENT LEASE SCHEDULE NUMBER 01  
TO EQUIPMENT LEASE AGREEMENT NUMBER 3145703, DATED 04/03/79  
BETWEEN WELLS FARGO LEASING CORPORATION AND  
VALLEY GRAIN PRODUCTS, INC.

FROM THE DUE DATE FOR RENTAL PAYMENT NUMBER:	UNTIL THE DUE DATE FOR RENTAL PAYMENT NUMBER:	THE STIPULATED LOSS VALUE AS A PERCENTAGE OF ORIGINAL COST FOR EACH UNIT OF EQUIPMENT IS:
1	2	102.577
2	3	102.149
3	4	101.718
4	5	101.283
5	6	100.844
6	7	100.400
7	8	99.953
8	9	99.501
9	10	99.045
10	11	98.585
11	12	98.120
12	13	97.651
13	14	97.178
14	15	96.700
15	16	96.218
16	17	95.731
17	18	95.240
18	19	94.744
19	20	94.244
20	21	93.739
21	22	93.229
22	23	92.714
23	24	92.195
24	25	91.671
25	26	91.142
26	27	90.607
27	28	90.068
28	29	89.524
29	30	88.975
30	31	88.421
31	32	87.861
32	33	87.296
33	34	86.726
34	35	86.151
35	36	85.570
36	37	84.984
37	38	84.392
38	39	83.795
39	40	83.193
40	41	82.584
41	42	81.970
42	43	81.350
43	44	80.725
44	45	80.093
45	46	79.456
46	47	78.813
47	48	78.163
48	49	77.508
49	50	76.846
50	51	76.179

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# STIPULATED LOSS VALUE SCHEDULE

PAGE 2 OF 3

STIPULATED LOSS VALUE SCHEDULE  
TO EQUIPMENT LEASE SCHEDULE NUMBER 01  
TO EQUIPMENT LEASE AGREEMENT NUMBER 3145703, DATED 04/03/79  
BETWEEN WELLS FARGO LEASING CORPORATION AND  
VALLEY GRAIN PRODUCTS, INC.

FROM THE DUE DATE FOR RENTAL PAYMENT NUMBER:	UNTIL THE DUE DATE FOR RENTAL PAYMENT NUMBER:	THE STIPULATED LOSS VALUE AS A PERCENTAGE OF ORIGINAL COST FOR EACH UNIT OF EQUIPMENT IS:
51	52	75.505
52	53	74.825
53	54	74.138
54	55	73.445
55	56	72.746
56	57	72.040
57	58	71.327
58	59	70.608
59	60	69.882
60	61	69.149
61	62	68.409
62	63	67.663
63	64	66.909
64	65	66.149
65	66	65.381
66	67	64.606
67	68	63.824
68	69	63.035
69	70	62.238
70	71	61.434
71	72	60.622
72	73	59.803
73	74	58.976
74	75	58.141
75	76	57.299
76	77	56.448
77	78	55.590
78	79	54.724
79	80	53.849
80	81	52.967
81	82	52.076
82	83	51.177
83	84	50.269
84	85	49.353
85	86	48.428
86	87	47.495
87	88	46.553
88	89	45.602
89	90	44.643
90	91	43.674
91	92	42.697
92	93	41.710
93	94	40.714
94	95	39.708
95	96	38.694
96	97	37.669
97	98	36.636
98	99	35.592
99	100	34.539
100	101	33.476

# STIPULATED LOSS VALUE SCHEDULE

PAGE 3 OF 3

STIPULATED LOSS VALUE SCHEDULE  
TO EQUIPMENT LEASE SCHEDULE NUMBER 01  
TO EQUIPMENT LEASE AGREEMENT NUMBER 3145703, DATED 04/03/79  
BETWEEN WELLS FARGO LEASING CORPORATION AND  
VALLEY GRAIN PRODUCTS, INC.

FROM THE DUE DATE FOR RENTAL PAYMENT NUMBER:	UNTIL THE DUE DATE FOR RENTAL PAYMENT NUMBER:	THE STIPULATED LOSS VALUE AS A PERCENTAGE OF ORIGINAL COST FOR EACH UNIT OF EQUIPMENT IS:
101	102	32.403
102	103	31.320
103	104	30.227
104	105	29.123
105	106	28.010
106	107	26.886
107	108	25.751
108	109	24.606
109	110	23.450
110	111	22.284
111	112	21.106
112	113	19.917
113	114	18.718
114	115	17.507
115	116	16.285
116	117	15.051
117	118	13.806
118	119	12.549
119	120	11.386
120	UNTIL END OF LEASE	10.000

THE STIPULATED LOSS VALUES SET FORTH ABOVE DO NOT TAKE  
INTO ACCOUNT THE LOSS OF ANY INVESTMENT TAX CREDIT OR  
DEPRECIATION DEDUCTIONS.